

Regular & Work Session Meeting Minutes - April 2, 2007

The regular meeting of the Township Council of the Township of Lower, County of Cape May, State of New Jersey was held on April 2, 2007 at 7:00 p.m. in the meeting room of the Township Hall, 2600 Bayshore Road, Villas, New Jersey.

The Clerk announced that the meeting was being held in compliance with the Open Public Meetings Act and that adequate notice of the meeting had been provided according to law.

The following members of Council were present for roll call taken by the Clerk:

Councilmember Thomas Conrad
Councilmember Wayne Mazurek
Councilmember Glenn Douglass
Councilmember Robert Nolan
Mayor Walter Craig

Also present: Manager Jackson and Solicitor Paul Baldini

Proclamation - Autism Awareness Month

Lisa Bryant read a letter from FACES, a support group for families with autism, to Mayor Craig and Council reciting statistical information regarding autism. She thanked Mayor and Council for their support and said FACES had helped her family tremendously in understanding autism. She said there were 100 children affected in Cape May County - 13 were in Lower Township 9 were in the schools and 4 were in special services school. Mayor Craig presented Ms. Bryant with a Proclamation for Autism Awareness Month.

WORK SESSION

Review of Consent and Regular Agenda Items

No comments.

Lake Laurie Resolution 208 Plan

Planning Director William Galestok and Planning Board Chairman Jay Dilworth were present to discuss the Lake Laurie request for sewer.

Mr. Galestok said at the Planning Board meeting the last 2 months he heard 2 basic reasons and they were groundwater discharge and future growth. The engineer testified for now is would be used as a campground. He said the MUA gave preliminary approval.

Mr. Dilworth said that was just a statement made by the MUA.

Councilmember Nolan said Mr. Gall said he felt the MUA gave preliminary approval for sewer and water.

Mr. Galestok said the resolution just gave the right to have sewer if the MUA should provide. He stated without the resolution they could not have sewer there. He presented a map which showed areas approved by DEP and other areas not approved. He said if the area wasn't approved it could not be a center.

Mr. Galestok said at a State meeting 10 years ago someone asked how to have growth and the States comment was to go up.

Councilmember Nolan said people didn't want more density, it was a problem getting out onto Bayshore Road now.

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Mr. Galestok and Mr. Dilworth went over the map and showed the public where Lake Laurie was and areas that had sewer.

Mr. Dilworth stated there was sewer at the High School, Cape Island Campground, Cold Spring Village and asked that Freeman Douglass Park, Lake Laurie and the residents in the area to be included in the plan.

Mayor Craig said the resolution would be for future planning in accordance with Smart Growth.

Mr. Dilworth said the Township had to plan for 10-30 years down the line or the Township would be stagnant. He pointed out that North Cape May and Villas were at density.

Joe Winters asked if the sewer line ran by the road, could others tie in without fee or impact fee.

Mr. Dilworth said there were impact fees in some areas that require fee per lot to help offset additional services such as police, trash, etc..

Solicitor Baldini said no Municipality in Cape May County had impact fees.

Mr. Winters asked if it could be done.

Mayor Craig said it had been done in Deptford area and the Township missed the boat by not doing it.

Councilmember Nolan said Council had the resolution to accept it. The applicant still had to go to the County and State. The Township would just be looking into allowing the concept.

Mr. Galestok said the State could move ahead with or without Council's approval. He stated Del Camino Park had a problem with their septic and the State allowed Middle Township to run sewer lines there.

Councilmember Nolan asked Mr. Galestok if he would approve the plan.

Mr. Galestok said if they wanted future growth.

Mr. Dilworth said Councilmember Conrad made a good point regarding the west side of Route 9 to be looked at and maybe further north. He was in favor of this for the future.

Mr. Galestok said at present it was a low density area. He stated a lot of sewage was going in the ground in the summertime.

Councilmember Douglass asked if this went forward would that allow them to be opened year round.

Mr. Galestok said there was a state statute that prohibited that.

Consent Agenda

1. Approval of Minutes March 18, 2007
2. Resolution #2007-88, A Resolution Requesting That Cape May County Include Certain Parcels of Land in the County WQMP (208) Sewerability Plan (tabled 3/18/07)
3. Resolution #2007-91, Vouchers \$ 1,069,297.05
4. Resolution #2007-92, Authorizing The Acceptance of Electronic Receipts For Municipal Tax Payments And Fees In Accordance With The Provisions of N.J.A.C. 5:30-9.1 Et Seq
5. Resolution #2007-93, Resolution For Self Examination Of Budget
6. Resolution #2007-94, Approving An Interlocal Service Agreement Between The Lower Cape May Regional School District & The Township of Lower For Web Design And Related Services
7. Resolution #2007-95, Approving Lower Township Rotary Club Application to Conduct Flea Market For April 28, Rain Date, April 29 at North Cape

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Center, 700 Townbank Road

8. Resolution #2007-96, Supporting the Click It or Ticket Mobilization of May 21 - June 3, 2007
9. Resolution #2007-97, Click It or Ticket Seat Belt Campaign
10. Resolution #2007-98, Resolution Approving Contract With Health Insurance Solutions Inc. and Terminating Contract with BCBS NJ - Prescription Plan Effective May 1, 2007
11. Resolution #2007-99, Acceptance of Bid and Award of Contract for Carpet Install for Lower Township Annex Building
12. Resolution #2007-100, Cape May County Municipal Utilities Authority Recycling Grant, \$3000

Councilmember Nolan motioned to adopt the consent agenda items #1-12, seconded by Councilmember Douglas. The consent agenda was adopted by the following roll call vote: Councilmember Conrad, "yes", Councilmember Mazurek, "yes", Councilmember Douglass, "yes", Councilmember Nolan, "yes", Mayor Craig, "yes".

Regular Agenda

2007 Budget - Public Hearing

Mayor Craig said Lauren Read, CFO and Leon Costello, Township Auditor were present to give an overview of the Budget.

Mr. Costello said it was time for public comment. He said there was a 32.3 cent difference than last year. He stated there were several factors that had impacted past budgets. He said it was the last year of adding 20% for pensions and went over the insurance costs, debt services. and decreasing fund balance. He said there were many factors to property owners some will see decreases due to the reval.

Mike Beck of the Villas asked what the increase would be under the old rates.

Mr. Costello said 13.7.

Mr. Beck said that wasn't an increase it was an avalanche the people were just hit by the reval. He said was it fair to say that salary and wages, pension were big factors.

Mr. Costello said they certainly were factors.

Mr. Beck asked what were they going to do.

Councilmember Conrad said offer early outs that would have saved some money.

Mr. Beck said they were pushing domino's and could get a lot of sale signs going up. He said many people would sell their homes today for the reval price. He said he would not vote for the budget. He suggested to bring the Legislators to the Township and show them what was being done to the people here.

Councilmember Conrad said the paper ran an article about school regionalization.

Mr. Beck said he brought that up last year. He said they may have to cap salaries over a certain amount. He said it wasn't a small tax increase. He said people on Social Security were getting cost of living raises. He said he would not pass it. He said Mr. Costello pointed out years ago what the problem areas were.

Councilmember Mazurek asked what a penny was on the budget.

Mr. Costello said the old penny was \$150,000 , the new penny was \$417,000.

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Mayor Craig told Mr. Beck the problem was there was nothing left to cut. He stated the Legislators were aware of the problems in South Jersey, but the State was ran by North Jersey. He said the only place to cut were services and people. He said the 13.8 increase was due to financial policy of years ago.

Mr. Beck said there was a good surplus years ago and they needed to go after contracts. He said everyone was going to be hurt along the line.

John Morrison of the Villas said he would like to support Mr. Beck's comments. He felt Council should hold off and take another look, he said the truth was that all was tied up in contracts and what was in force couldn't be changed. He suggested Council roll back their salary increase to last year. He said it would show the people they felt their pain.

He suggested look at the OE and cut 1 cent.

Mr. Morrison suggested no new hires in 2007, if someone retired don't fill the position.

Ed Butler of the Villas said the previous speakers made sense. He said he had listened and saw a lot go on top of his reval. He thanked the Manager and Council for the reval help and poster on the board. He heard the figure of 13.7 increase. He said his assessment went from \$170,000 to \$683,000. He asked what would that increase have on his taxes.

Mr. Costello said it would go from \$4,900 to \$6,900 per year. He said his property went up 4 times and the Township average was 3 times.

Mr. Winters of Florida Avenue asked why the municipal taxes went up so high.

Mr. Costello mentioned the reasons that pushed up the increase. He said there were state mandates and the Township had no control over them. He said contracts were in force but had to negotiate changes.

Mr. Winter asked if the part time or seasonal hires had benefits and asked why the help was needed.

Lauren Read said they were needed for the additional work load for trash collection, etc.

Jacquelin Bell of the Villas agreed with Mr. Beck that the Legislators needed to be present. She said people were selling their property at reduced prices. She said everything was being funded on taxes. She stated houses were being sold and bought to rent which meant more kids in schools. She pointed out there wasn't industry here.

Mrs. Bell said prices were depreciating and the problems would be worse next year.

Sal Riggi of the Villas said he listened to what was said and the same thing happened where he lived in North Jersey in the 80's. They did a reval after the waterfront was built up, when he left 5 years ago his taxes were \$8,500. He said they needed to come up with innovative ways to raise money. He agreed with the Mayor when he stated North Jersey ran the State. He said the squeaky wheel got the oil, they needed to put pressure on the Legislators.

Mr. Riggi said they needed to look at other ideas such as UEZ and he felt property taxes were unconstitutional. He felt bad for the people and they needed to come up with new ideas. He again said Council had to get the State Legislators involved. He asked Council if the Township received school aid and if so how much. He said the use of tax money for schools wasn't allowed.

Mr. Costello said the budget was 21 million and the Township received \$38,000 for State Aid.

Mr. Riggi said he came from "tax city" and offered to help Council push the Legislators.

Mayor Craig said legislation was pending with Woodbine from 2 years ago regarding the UEZ.

Mr. Morrison asked Mr. Costello if it was correct that 20% was catch up.

Mr. Costello said PFRS would be done next year and PERS in 2009 after that they would pay as they went.

Mr. Morrison asked what the capital budget amount was for.

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The CFO read through the list of capital costs by department and gave a brief description. Councilmember Mazurek said the list Mr. Costello gave sounded hopeless. He said the capital budget had him concerned for awhile. He said it was used for big ticket items they were doing what was allowed but hadn't maxed out yet. He said the ideal situation was as things went off, things come on line.

Mr. Costello showed a chart that was the debt service and payments. He explained bonds and how bond anticipation notes were used. He said he would like to get approval from Council to have another bond sale in 4 years.

Councilmember Mazurek asked what 3.2 million in capital was doing to the budget and should it be reduced.

Mr. Costello said 3 million was in the plan now, but it would not be in the plan for 2008. He said they needed to manage the capital budget and bonding in a flat line. He said people were the biggest cost.

Councilmember Mazurek said he felt people needed to know the impact of the budget and Mr. Costello explained it well. He suggested for the future the Township look into 1 person trash trucks that would save money in the future.

Manager Jackson said he was in contact with Brick Township and would be getting information and DPW was getting prices.

Mayor Craig said some streets may prohibit that type of truck.

Councilmember Mazurek said some areas of the Township it would work. He said he felt their hands were tied- can't touch fixed costs - can't cut capital and OE cuts didn't amount to much.

Mr. Costello said it wasn't just Lower Township a lot of towns throughout the State faced the same issues. He showed the chart of increases and when the fund balance was used. He spoke at length describing the use of the fund balance and when it ran out this is what happened. He said it was a hard thing to raise taxes. He stated if taxes were increased each year these problems wouldn't exist.

Solicitor Baldini asked Mr. Costello if the budget was good fiscal sense.

Mr. Costello said a tax increase of 1-1 ½ cent in 2008 to get back on track. He went over how the reval would affect values. He said if the value tripled or less there would be no significant change, more than tripled there would be an increase.

Mr. Baldini said if the people didn't agree with their assessment they should appeal. He said the Township wanted things distributed correctly.

Councilmember Mazurek said 1 cent on the tax rate was \$470,000 and 1 cent on \$100,000 would be \$10.00.

Mr. Costello show a comparison sheet from 2006 & 2007.

Councilmember Mazurek said it was a good overview of the budget. He stated he would like to hear the public's comments.

Public Comment

John Morrison asked Manager Jackson to comment on the self insurance.

Solicitor Baldini went over the risks involved with self insurance. He said the prescription plan was a safe bet so they didn't take a stop gap policy. He stated that self insurance health could be risky with one catastrophic event. He said it would have to be looked into.

Mr. Costello said the new CAP law states the arbitrator must take into account the impact on the CAP. He said 2-3 months ago the biggest union in the State was asked to contribute towards insurance costs and co-pays.

Solicitor Baldini said in mediation with Sea Isle City was told by mediators they would not get give backs.

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Mr. Costello said they shouldn't use anymore of the fund balance that they couldn't put back. Jay Whitmore of Townbank said it was an enlightening presentation and suggested to Council laying off 1 or 2 people although it might not affect the 2007 budget, it still wasn't a reason not to look at it.

Frank Majane of Erma asked Mr. Costello if Council was told 8 years ago about not pension costs, he couldn't believe nobody wasn't aware of it. He said now there was a new manager and 2 people were doing the same job.

He said there was no benefit to the Township with Ponder Lodge sitting there. He said Council needed to look at the long term and don't adopt the budget.

Mr. Majane asked Mr. Costello what the \$660,000 bond would cost over the years.

Mr. Costello said roughly about \$875,000.

Mayor Craig said he and Councilmember Nolan met with Mr. Costello before taking office and was told there would be a day of reckoning. He said the Township was trying to make corrections this year, there was no room to cut.

Mr. Majane said every municipality had the same problems. He said no other town had the development Diamond Beach had and it hadn't helped one bit.

Mr. Morrison said in 1992 there was a reval and Diamond Beach area filed a lot of appeals, their values were dropped and North Cape May and Villas made up for that.

Mr. Costello said new construction didn't change much in the budget as people thought.

Steve Douglass of Erma asked Council not to adopt the budget. He suggested to look at the capital budget and cut some items.

Mr. Costello said they were not exceeding the CAP when it came to the ordinance. He said they were under the CAP significantly. He said the ordinance was to bank the money for the future.

Mayor Craig closed the public portion at 9:17 pm.

Ordinance #2007-5, An Ordinance To Exceed the Municipal Budget Appropriation Limits and to Establish a

Cap Bank (Adoption - Public hearing held 3/18/07), was presented for second reading and final adoption. The Clerk announced the ordinance was posted and published according to law and copies were available in the Clerk's Office.

Councilmember Mazurek motioned to adopt the ordinance , seconded by Councilmember Nolan. The ordinance was adopted by the following roll call vote: Councilmember Conrad, "yes", Councilmember Mazurek, "yes", Councilmember Douglass, "yes", Councilmember Nolan, "yes", Mayor Craig, "yes".

Ordinance #2007-10, An Ordinance Amending Chapter 512, Entitled "Raffles" of the Code of the Township of

Lower, was presented for second reading and final adoption. The Clerk announced the ordinance was posted and published according to law and copies were available in the Clerk's Office.

Mayor Craig opened the meeting for comment on the ordinance.

No public comment.

Councilmember Conrad motioned to adopt the ordinance , seconded by Councilmember Douglass. The ordinance was adopted by the following roll call vote: Councilmember Conrad, "yes", Councilmember Mazurek, "yes", Councilmember Douglass, "yes", Councilmember Nolan, "yes", Mayor Craig, "yes".

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Resolution #2007-101, Adoption of 2007 Municipal Budget

Councilmember Mazurek said he felt the capital budget still should be looked at.

Councilmember Conrad questioned the CFO if the O.E.'s were tight.

Lauren Read, CFO said the O.E.'s had been cut a lot, they were tight.

Councilmember Douglass said he felt confident with Mr. Costello's plan for fiscal responsibility. He questioned if they looked into leasing vehicles.

The CFO said there were leasing programs governed by some State regulations.

Councilmember Douglass said he was aware they rotated vehicles. He said residents were asking for more services which meant more equipment and people.

Councilmember Nolan said it was a tough time to sit on Council, it required tough decisions. He stated Council needed to step up. He said he would like to offer a resolution that Council chose either salary or benefits.

Council agreed.

Solicitor Baldini said he would draft a resolution.

Mr. Costello said the capital budget was a plan and didn't factor it in until the ordinance was adopted.

Mayor Craig said it was a tough decision, he knew the day was coming. He said it was no one person's fault the changes needed to come from the State. He said the budget ran on tax dollars, the Township's revenue sources were limited so they need to generate revenue.

Mayor Craig said they were hoping for the UEZ.

Mr. Costello said he wished people would listen to what he said.

Mayor Craig stated he had a lot of faith in the CFO and Auditor and had a lot of discussion with the Manager & Solicitor. He said contracts had to be negotiated and difficult decisions had to be made.

Councilmember Nolan motioned to adopt the ordinance, seconded by Councilmember Douglass. The ordinance was adopted by the following roll call vote: Councilmember Conrad, "yes", Councilmember Mazurek, "no", Councilmember Douglass, "yes", Councilmember Nolan, "yes", Mayor Craig, "yes".

Council Comments

No comments.

Public Comments

Alice Rogue asked if anyone from Council contacted Bob O'Shefsky after the January meeting regarding his tax appeal.

Councilmember Nolan said he did.

Mrs. Rogue asked about the availability of the minutes on line.

Councilmember Nolan said they had a deal with the school regarding the website.

Robert Rizzo of Mickles Run he said they couldn't affect this years budget. He said the Press had an article regarding school consolidation. He said Council should pass a resolution of support for consolidation.

Councilmember Nolan said a resolution was already done.

Bob Hartman of Cold Spring said he never heard of having a good budget. He said he observed the 1 man trash trucks in Augusta Georgia and they could work in the newer developments. He said the trucks were computerized and it was something Council should look

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into. He said there was an article in the Press regarding Bennett's Recreation Project and someone taking the dirt away.

Mr. Hartman asked if there was a criminal investigation being done, it was over \$100,000 worth of dirt. He asked if someone notified the State their dirt was stolen. He suggested it be investigated.

Back and forth on the matter.

Councilmember Nolan agreed, but who do you hold responsible if the person was caught they should be put in jail.

Mr. Hartman said the Township wasn't set up for light industry there were only retired people here.

Solicitor Baldini felt it could be a conflict if the local police looked into it.

Mr. Riggi said ultimately the engineer would be responsible.

Councilmember Nolan said they would ask the County Prosecutor to look into it.

Mr. Rizzo thanked Council for attending the Haven House dedication.

There being no further comment, Councilmember Nolan motioned to adjourn the meeting, seconded by Councilmember Conrad the meeting unanimously adjourned by verbal "ayes" at 9:54 p.m.

Mayor

Township Clerk

Approved: April 16, 2007